

SENATE BILL 2172

By Stevens

AN ACT to amend Tennessee Code Annotated, Title 35,
Chapter 6, relative to the Uniform Principal and
Income Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 35-6-108(k)(1)(A), is amended by deleting the following language:

The governing instrument reflects an intention that the current beneficiary or beneficiaries are to receive an amount other than a reasonable current return from the trust;

and substituting instead the following:

The governing instrument:

- (i) Reflects an intention that the current beneficiary or beneficiaries are to receive an amount other than a reasonable current return from the trust; or
- (ii) Gives the trustee no discretion to distribute any trust principal to the income beneficiary under any circumstances;

SECTION 2. Tennessee Code Annotated, Section 35-6-108(k)(1)(C), is amended by deleting the following language:

The governing instrument expressly prohibits use of this section by specific reference to the section or expressly states the trustor's intent that net income not be calculated as a unitrust amount.

and substituting instead the following:

Except for a trust established prior to July 1, 2010, the governing instrument expressly prohibits use of this section by specific reference to the section or expressly states the trustor's intent that net income not be calculated as a unitrust amount.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.